

**Amendments to the Specification**

Please amend paragraph [0007] on page 3 as follows:

**[0007]** The present invention is a commercial speaker system in which the intelligibility of reproduced speech or music sound, derived from an audio program signal, is enhanced by means of at least one of a first and second transfer function of a signal process applied to such audio program signal, wherein the first transfer function incrementally varies the volume of the reproduced sound, for example in steps of 1 to 10 dB, directly as a function of the volume of ambient noise, and wherein the second transfer function incrementally or contiguously continuously varies the high frequency response of the reproduced sound inversely as a function of the volume of the ambient noise. The ambient noise can be measured by a microphone, for example, located on or near the speaker system and can also be electronically averaged over a predetermined time period. The signal process provides an audio output signal that is applied to at least one amplifier and at least one speaker.

Please amend paragraph [0015] on page 4 as follows:

**[0015]** It has been determined in experiments conducted by the present inventor that the intelligibility of a reproduced program signal in the presence of widely varying ambient noise levels is substantially enhanced by a signal process with processing functions that are incremental, as opposed to contiguous continuous, such that the volume of the reproduced sound does not change too frequently as a consequence of rapidly occurring large changes in the ambient noise. Such signal process can provide increasing gain and increasing high frequency response of the program signal as a function of decreasing amplitude of a microphone output signal comprising at least one of (a), ambient noise signal components without reproduced program signal components by enabling such microphone output signal only while the program signal is

substantially off, which typically occurs between audio or audio/video advertisements, or (b) ambient noise with reproduced program signal components by enabling such microphone output signal only while the program signal is substantially on, which typically occurs during audio or audio/video advertisements. The signal process parameters are maintained between such times as the microphone is enabled to provide continuing and stable sound reproduction.